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OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING-FEDERAL HOUSING COMMISSIONER

Title I Property Improvement Loan Program

Fixing Up Your Home and How To Finance It

Protect Your Housing Investment

Your home is an investment in living as well as in savings. If neglected, it will pay no dividends. If properly maintained and improved, it will pay a high yield in comfort and usefulness for your family and in avoidance of costly repair bills.

Home improvements also tend to raise neighborhood standards and, as a result, property values. From an economic standpoint, home improvements mean higher employment, increased markets for materials and home products-and therefore a more flourishing community.

If You Do It Yourself

If you are handy with tools and have the experience, you can save money by doing many jobs yourself. But unless you are skilled in wiring, plumbing, installing heat systems, and cutting through walls, you should rely on professionals for such work.

When you buy the required materials, it pays not to skimp. Good materials are not necessarily the most expensive. What you need are products that look good, are easy to maintain, and last a long time. Buy only from reliable dealers.

If You Use a Contractor

If you plan to use the services of a dealer or contractor, take care to choose one with a reputation for honesty and good workmanship. There are several ways to check on a contractor:

- Consult your local Chamber of Commerce, the Better Business Bureau, State Attorney General or Local Consumer Protection Agency.
- Talk with people for whom he has done work.
- Ask your lender about him, if you plan to finance the project with a loan.
- Check his place of business to see that he is not a fly-by-night operator.

- Find out, if you can, how he rates with known building-product distributors and wholesale suppliers.
- Ask friends and relatives for names of firms that they could recommend.

Compare Contractor Offers

Before deciding on a contractor, you may want to get bids from two or three different firms. Make sure that each bid is based on the same specifications and the same grade of materials. If these bids vary widely, find out why.

Many contractors offer package plans that cover the whole transaction. Under such a plan the contractor provides all materials used, takes care of all work involved, and arranges for your loan.

Your contractor can make the loan application for you, but you are the one who must repay the loan, so you should see that the work is done correctly.

Understand What You Sign

The contract that both you and the contractor sign should state clearly the type and extent of improvements to be made and the materials to be used. Before you sign, get the contractor to spell out for you in exact terms:

- How much the entire job will cost you.
- How much interest you will pay on the loan.
- How much you will pay in service charges.
- How many payments you must make to pay off the loan, and how much each of these payments will be.

After the entire job is finished in the manner set forth in your contract, you sign a completion certificate. By signing this paper you certify that you approve the work and materials and you authorize the lender to pay the contractor the money you borrowed.

Beware of Fraud

Most dealers and contractors conscientiously try to give their customers service equivalent to the full value of their money. Unfortunately, home improvement rackets do exist. Here are a few common sense rules to follow:

- Read and understand every word of any contract or other paper before you sign it
- Never sign a contract with anyone who makes fantastic promises
- Reputable dealers are not running give-away businesses
- Avoid wild bargains. The best bargain is a good job
- Never consolidate existing loans through a home improvement contractor
- Do not let salespeople high-pressure you into signing up to buy their materials or services
- Be wary of salespeople who try to scare you into signing for repairs that they say are urgent. Seek the advice of an expert as to how urgent such repairs are. High-pressure and scare tactics are often the mark of a phony deal
- Avoid salespeople who offer you trial purchases or some form of bonus, such as cash, for allowing them to use your house as a model for any purpose. Such offers are well-known gimmicks of swindlers
- Never sign a completion certificate until all the work called for in the contract has been completed to your satisfaction. Be careful not to sign a completion certificate along with a sales order
- Proceed cautiously when the lender or contractor demands a lien on your property. Most lenders do not require a lien if the loan amount is less than \$7,500

Financing Improvements

As a rule, the thriftiest way to finance improvements is to pay cash. But if you lack the funds even for immediate repairs such as replacing a worn-out roof or a broken-down furnace, you should weigh the cost of borrowing against the cost of delaying the

work. If you have to borrow, you want to do it in the least expensive way. Use caution when using credit card borrowing because of interest rates.

If you borrow money for the improvements, you should go to your bank or other lender and apply for a loan. After checking to see if your credit is satisfactory, the lender defines the terms of the loan and you must agree to them before signing the note. Do not proceed with home improvement plans until you understand all of the costs involved.

Today there are a number of good plans for financing home improvements on reasonable terms. What kind of loan is best for you depends primarily on the amount of money you need to borrow.

The Title I Property Improvement Loan Program

If the equity in your home is limited, the answer may be an FHA Title I loan. Banks and other qualified lenders make these loans from their own funds, and FHA insures the lender against a possible loss. This loan insurance program is authorized by Title I of the National Housing Act.

FHA-insured Title I loans may be used for any improvements that will make your home basically more livable and useful. You can use them even for dishwashers, refrigerators, freezers, and ovens that are built into the house and not free-standing. You cannot use them for certain luxury-type items such as swimming pools or outdoor fireplaces, or to pay for work already done.

Title I loans can also be used to make improvements for accessibility to a disabled person such as remodeling kitchens and baths for wheelchair access, lowering kitchen cabinets, installing wider doors and exterior ramps, etc. Another use is energy conserving improvements or solar energy systems.

Improvements can be handled on a do-it-yourself basis or through a contractor or dealer. Your loan can be used to pay for the contractor's materials and labor. If you do the work yourself, only the cost of materials may be financed.

Some of the advantages of the Title I loan insurance program are:

- You do not have to live in any particular area to get one of these loans
- You seldom need any security for loans under \$7,500 other than your signature on

the note, and you need no cosigner

- You do not have to disturb any mortgage or deed of trust you may have on your home
- To obtain a loan, you only need to own the property or have a long-term lease on it; fill out a loan application that shows you are a good credit risk; and execute a note agreeing to repay the loan
- Your loan can cover architectural and engineering costs, building permit fees, title examination costs, appraisal fees, and inspection fees
- You are not hampered by a lot of red tape. Usually only the lender has to approve your loan, and can give you an answer in a few days. When the work is finished, you will need to furnish the lender with a completion certificate
- You receive some protection from the wrong kind of dealer, because FHA requires that any dealer who arranges a loan for you must first be approved by the lender

Title I Property Improvement Loan Program Maximum Loan Amounts and Terms

HUD/FHA does not set the interest rate. Interest rates are negotiated between the borrower and the lender.

The maximum amount for a Single Family property improvement loan for the alteration, repair or improvement of an existing single family structure is \$25,000 and the maximum term is 20 years.

The maximum amount for a property improvement loan for the alteration, repair or improvement of a Manufactured (Mobile) Home that qualifies as real property is \$17,500 and the maximum term is 15 years.

The maximum amount for a property improvement loan for the alteration, repair, or improvement of an existing Manufactured (Mobile) Home classified as Personal Property is \$7,500 and the maximum term is 12 years.

The maximum amount for a Multifamily Property Improvement loan for the alteration, repair, improvement or conversion of an existing structure used or to be used as a dwelling for two or more families is \$60,000, but not more than \$12,000 per

dwelling unit and the maximum term is 20 years.

The maximum amount for a Nonresidential Property Improvement loan for the construction of a new nonresidential structure, or the alteration, repair, or improvement of an existing nonresidential structure is \$25,000 and the maximum term is 20 years.

Finding a Title I Lender

To find an FHA-approved lender in your area, call HUD's Customer Service Center on our toll-free number: 1-800-767-7468 (TTY: 1-800- 877-8339) for a list of lenders in your State and additional copies of this brochure.

Complaints about contractor fraud under the Title I program can be made by calling our toll-free telephone line: 1-888-466-3487.

Equal Opportunity In Housing

The Fair Housing Act prohibits discrimination in housing and related transactions—including mortgages and home improvement loans. Lenders may not deny funds or offer less favorable terms and conditions in lending on the basis of the borrower's race, color, religion, sex, national origin, familial status (i.e., the presence or number of children in a household) or disability. In addition, lending decisions may not be based on the race, color, sex, religion, national origin, familial status or disabilities of persons associated with the borrower or with the area surrounding the property. If you believe you have been the victim of discrimination in mortgage lending on one of the prohibited bases, you may file a fair housing complaint by contacting a local fair housing advocacy group, the Office of Human Rights for your state or local government, or by calling the national Fair Housing Hotline at 1-800-669-9777 (TTY: 1-800-927-9275).

HUD Offices

Alabama:	Birmingham
Alaska:	Anchorage
Arizona:	Phoenix & Tucson
Arkansas:	Little Rock
California:	San Francisco, Fresno, Los Angeles, Sacramento, Santa Ana & San Diego
Colorado:	Denver
Connecticut:	Hartford
Delaware:	Wilmington
Dist of Columbia	Washington DC
Florida :	Coral Gables, Jacksonville, Orlando & Tampa
Georgia:	Atlanta

Hawaii:	Honolulu
Idaho:	Boise
Illinois:	Chicago & Springfield
Indiana:	Indianapolis
Iowa:	Des Moines
Kansas:	Kansas City
Kentucky:	Louisville
Louisiana:	New Orleans & Shreveport
Maine:	Bangor
Maryland:	Baltimore
Massachusetts:	Boston
Michigan:	Detroit, Flint & Grand Rapids
Minnesota:	Minneapolis-St Paul
Mississippi:	Jackson
Missouri:	St Louis & Kansas City
Montana:	Helena
Nebraska:	Omaha
New Jersey:	Newark & Camden
New Mexico:	Albuquerque
New York:	New York City, Albany & Buffalo
New Hampshire:	Manchester
North Dakota:	Fargo
North Carolina:	Greensboro
Ohio:	Columbus, Cincinnati & Cleveland
Oklahoma:	Oklahoma City & Tulsa
Oregon:	Portland
Pennsylvania:	Philadelphia & Pittsburgh
Puerto Rico:	San Juan
Rhode Island:	Providence
South Dakota:	Sioux Falls
South Carolina:	Columbia
Tennessee:	Nashville, Knoxville & Memphis
Texas:	Fort Worth, Dallas, Houston, Lubbock & San Antonio
Utah:	Salt Lake City
Vermont:	Burlington
Virginia:	Richmond
Washington:	Seattle & Spokane
West Virginia:	Charleston
Wisconsin:	Milwaukee
Wyoming:	Casper

U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
TITLE I INSURANCE SYSTEM
LISTING OF ALL ACTIVE LENDERS BY STATE AND CITY

STATE OF VIRGINIA

CONTR NUMBER	CITY	LENDER NAME	LENDER PREMIUM ADDRESS	ZIP CODE	LENDER TELEPHONE NUMBER	DT LAST NEW BUSINESS
50538-8	ALEXANDRIA	A B AND W CREDIT UNION INCORP	6201 RICHMOND HIGHWAY	22038	(703) 768-7000	08/2001
73534-0	ANNANDALE	CUSTOMER ONE MORTGAGE CORPORAT	7700 LITTLE RIVER TPK STE 601	22003	(703) 354-9300	0000000
48646-4	FAIRFAX	FAIRFAX COUNTY REDEV & HOUS AU	3700 PENDER DRIVE-SUITE 300	22030	(703) 246-5010	01/1950
41546-3	FALLS CHURCH	FIRST VIRGINIA BANK	6400 ARLINGTON BLVD	22046	(703) 241-4828	07/2001
71650-6	KNOXVILLE	FIRST VANTAGE BANK TENNESSEE	620 MARKET ST ONE CENTRE SQ	37902	(423) 549-5100	0000000
72189-4	MCLEAN	MORTGAGE EDGE CORPORATION	1355 BEVERLY ROAD STE 330	22101	(703) 749-0900	0000000
71962-5	MCLEAN	PREFERRED MORTGAGE GROUP INC	7923 JONES BRANCH DR STE 300	22102	(703) 893-1050	0000000
70961-8	NORFOLK	FIRST JEFFERSON MORTGAGE CORP	18 KOGER EXECUTIVE CTR STE 206	23502	(804) 461-0909	0000000
20037-8	NORFOLK	FIRST VIRGINIA BANK OF TIDEWAT	555 E MAIN STREET	23510	(804) 628-6630	08/2001
48826-2	PORTSMOUTH	PORTSMOUTH REDEVEL + HOUS AUTH	339 HIGH STREET	23704	(804) 399-5261	0000000
73103-4	PORTSMOUTH	TOWNEBANK	600 LOUDON AVENUE	23707	(757) 393-5626	0000000
71932-8	RESTON	GREATER ATLANTIC BANK	10700 PARKRIDGE BLVD STE P50	20191	(703) 391-1300	0000000
49567-1	RESTON	STUDENT LOAN MARKETING ASSO	11600 SALLIE MAE DRIVE	20193	(703) 810-7782	0000000
70140-9	RICHMOND	FIRST VIRGINIA BANK-COLONIAL	700 EAST MAIN STREET	23219	(804) 697-5200	08/2001
72203-3	RICHMOND	SEASONS MORTGAGE GROUP INC	9325 MIDLOTHIAN TNPK SIUTE A	23235	(804) 323-1680	0000000
71266-1	RICHMOND	UNITED FIRST MORTGAGE INC	1503 ROSA ROAD SUITE 109	23229	(804) 282-5631	0000000
47985-7	RICHMOND	VIRGINIA HOUSING DEVEL AUTH	POB 5206	232200206	(804) 782-1986	08/2001
20107-9	ROANOKE	FIRST VIRGINIA BANK SOUTHWEST	601 SOUTH JEFFERSON SUITE 210	20411	(703) 561-8775	08/2001
73142-2	SPRINGFIELD	T M MORTGAGE CORPORATION	6605A BACKLICK ROAD SUITE 212	22150	(703) 913-1025	0000000
70141-7	STAUNTON	FIRST VIRGINIA BANK-BLUE RIDGE	125 NORTH CENTRAL AVENUE	22401	(540) 851-3929	07/2001
72983-0	VIENNA	GREATER ATLANTIC MORTGAGE CORP	8230 OLD COURTHOUSE RD STE 520	22182	(703) 917-6300	0000000
73530-8	VIRGINIA BEACH	NUMERICA FUNDING INC	4525 E HONEYGROVE RD, STE 204	23455	(757) 340-7211	0000000
72194-4	VIRGINIA BEACH	SOUTHEAST MORTGAGE BANKING COR	1300 DIAMOND SPRGS RD STE 400	23455	(757) 321-2200	0000000
20151-7	WINCHESTER	F AND M BANK-WINCHESTER	115 N CAMERON STREET	22601	(540) 665-4200	09/1999

TOTAL NUMBER OF ACTIVE LENDERS FOR VIRGINIA